



**U.S. Army Corps
of Engineers** ®
Huntsville Center

FACT SHEET

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*Information:
Public Affairs Office, (256) 895-1690
www.hnd.usace.army.mil*

Utility Systems Privatization

Background

Utilities Privatization is the transfer of ownership of DoD-owned utility systems to a non-federal entity, and the procurement of utility distribution services from the new system owners. These services include operations, maintenance, repair, and upgrades. In general, the utilities under consideration are the electric, natural gas, water and wastewater systems. Privatization does not include the commodity. The resulting utility service contract term may have a maximum performance period of 50 years. Privatization legislation is contained in Title 10 U.S.C. 2688 and policy guidance is in Defense Reform Initiative Directive #49. This program helps DoD bring its utility systems up to current industry standards and comply with increasingly stringent environmental laws. DoD has directed military departments to award privatization contracts for all utility systems no later than September 30, 2003, if such awards are economical. The Huntsville Center assists DoD agencies in accessing and implementing all required privatization actions for military installations throughout the United States.

Scope

Huntsville Center has supported 15 installations with studies on the feasibility of Utility Privatization. At the present time, the Center is involved in preparing solicitations, evaluating proposals, and awarding contracts (if economically feasible) to privatize 33 utility systems for 10 installations. The support includes project management, engineering, contracting, and legal efforts necessary to complete the privatization process.

Major Customers

Fort Bragg, North Carolina
Fort Campbell, Kentucky
Fort Carson, Colorado
Fort Irwin, California
Fort McPherson/Fort Gillem, Georgia
Fort Polk, Louisiana
Fort Stewart/Hunter Army Airfield, Georgia
U.S. Military Academy at West Point, New York
Military District of Washington